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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 15, 1999

APPLICATION OF

CASE NO. PUA990035

SYDNOR HYDRODYNAMICS, INC.

For approval of sale to James City County of  
three water systems

**ORDER GRANTING APPROVAL**

On June 11, 1999, Sydnor Hydrodynamics, Inc. (“Sydnor”) filed an application with the Commission under the Utility Transfers Act requesting approval to sell to James City County (the “County”) three water systems located in the County. The three water systems, which comprise approximately 518 customers, serve the First Colony, Indigo Park/White Oaks, and Old Stage Manor subdivisions. As indicated in the application, the County has served notice of condemnation on Sydnor under § 15-1905.B of the Code of Virginia.

As further indicated in the application, Sydnor believes that a settlement with the County can be reached that will obviate the need for the County to take title to the property by condemnation and complete the condemnation process. Based on negotiations to date, the County would pay \$412,500 to Sydnor for the three systems. The County also would assist in the collection of Sydnor’s accounts receivable, including, if necessary, disconnecting delinquent customers. Sydnor would convey to the County the complete water systems that it owns and

operates in the three subdivisions, including the wells, pumps, pipes, machinery, equipment, fixtures, and real estate used in or comprising such systems.

As indicated in the application, Sydnor hopes to avoid, if possible, the time, expense, and other difficulty associated with completion of the condemnation process, including related court proceedings. Sydnor seeks instead to complete the negotiations and consummate a settlement regarding the sale of the three water systems to the County without the need for the County to complete the condemnation process.

Sydnor points out in its application that the Commission has asserted jurisdiction under § 13.1-620.G of the Code of Virginia over the rates and services for Sydnor's First Colony system, which involves approximately 255 residential customers, for a period of at least two years from the Commission's March 3, 1999 rate order, in Case No. PUE960133, involving that system. In the First Colony Rate Order, the Commission generally requires Sydnor to make certain refunds, with interest, by means of bill credits, to its First Colony customers, and Sydnor must file a report with the Commission Staff, on or before September 1, 1999, showing that all refunds have been lawfully made pursuant to that Order.

THE COMMISSION, upon consideration of the application and representations of Sydnor and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets of the three water systems described to James City County in order to avoid condemnation proceedings by the County would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Sydnor Hydrodynamics, Inc., is hereby granted approval to transfer to James City County the three water systems as described herein.
- 2) Sydnor shall file a report of the action taken pursuant to the approval granted herein with the Commission's Director of Public Utility Accounting of the Commission on or before August 31, 1999, subject to extension by the Commission's Director of Public Utility Accounting, such report to include the date of transfer to James City County and the sales price.
- 3) Sydnor will complete making refunds required by the First Colony Rate Order within fourteen days from the date of closing the transaction with James City County. On or before September 1, 1999, Sydnor shall file with the Commission Staff the document referenced in paragraph 9 of the Commission's First Colony Rate Order showing that all refunds have been lawfully made pursuant to that order and itemizing the costs of the refund and the accounts charged.
- 4) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.